

IDA Partial Risk Guarantee (PRG)

Category: Finance

Sub-Category: Guarantees

User: Private Sector

Donor: World Bank (WB)

Donor Countries: Multi-donor

Description:

Covers private lenders, or investors through shareholder loans, against the risk of a government (or government-owned entity) failing to perform its contractual obligations with respect to a private project. Specifically, PRGs can cover currency inconvertibility/non-transferability; political force majeure risks such as expropriation; war and civil disturbance; material adverse government action; government's contractual payment obligations; regulatory risk; change of law and regulations; negation or cancellation of license and approval; non-allowance for agreed tariff adjustment formula or regime; contractual performance of offtake agreements or input supply agreements, frustration of arbitration; and certain force majeure events

Locations: Benin, Burkina Faso, Burundi, Cameroon, Cape Verde, Chad, Comoros, Côte d'Ivoire, Democratic Republic of the Congo, Eritrea, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Somalia, South Sudan, Sudan, Tanzania, Togo, Uganda, Zambia, Zimbabwe

On- or Off-Grid: Both

Geography:

World Bank IDA borrowing countries

Eligibility:

Projects with private participation dependent on certain government contractual undertaking, such as: Build-Operate-Transfer (BOT) and concession projects; Public-Private Partnership (PPP) projects; privatizations. Can be either greenfield or existing projects. Requires World Bank due diligence and approval by the Board.

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For more information: <http://www.worldbank.org/en/programs/guarantees-program>

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